

56-1043

23 MAR 1956

MEMORANDUM FOR: Legislative Counsel

SUBJECT: H.R. 8486 and H.R. 9220, Concerning Compensation of Personnel Paid on Prevailing Rate System

1. In response to your request, subject bills have been reviewed by this Office to determine whether or not further action by your office is necessary or desirable. Both bills would amend the Act of September 1, 1954 ("Fringe Benefits Act") as follows:

a. Salaries of new appointees to continuing positions converted from the CPC schedule to prevailing rate system would be set in accordance with the "saved rate" provision of the conversion provision. (Comment: No effect on CIA because conversions made to prevailing rate scales did not result in lower basic rates.)

b. Departments and agencies would be required to provide longevity step increases to personnel paid on prevailing rate scales. (Comment: This is a benefit not now available to personnel in this category.)

2. This Office recommends support of the longevity step increase provision as a means of rewarding long and faithful service of personnel in the "Wage Board" group in the same manner as employees paid at the General Schedule rates.

3. We would appreciate your letting us know of further developments in Congressional consideration of these bills.

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13/
Harrison G. Reynolds
A-Director of Personnel

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